



Always the best climate for a

**Warm welcome**

14 January 2021

# Zehnder Group Investor Presentation

Octavian AG

René Grieder, CFO

14 January 2021

**zehnder**  
always the  
best climate

# Structure

## Company profile

Zehnder Group: A market leader for a healthy indoor climate

Development and manufacturing in 17 own production plants

Sales activities spanning more than 70 countries

## Financials HY1 2020

Sales 9% below previous year due to COVID-19

Effective measures – improvement in EBIT

High cash flow – solid balance sheet

## Business review HY1 2020 & Outlook FY 2020

Zehnder turned 125 years old

Operation kept running and supply chain largely intact

Outlook 2020: Sales of 613-618 MEUR and EBIT of 49-51 MEUR

# The Zehnder Group – an attractive investment case



Company profile

## Five reasons to invest

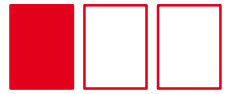
- Strong position in key markets
- Growth for residential ventilation
- “Harvest” leading position in radiators
- New potential “stars”
- Solid financial foundations

## Mid-term targets

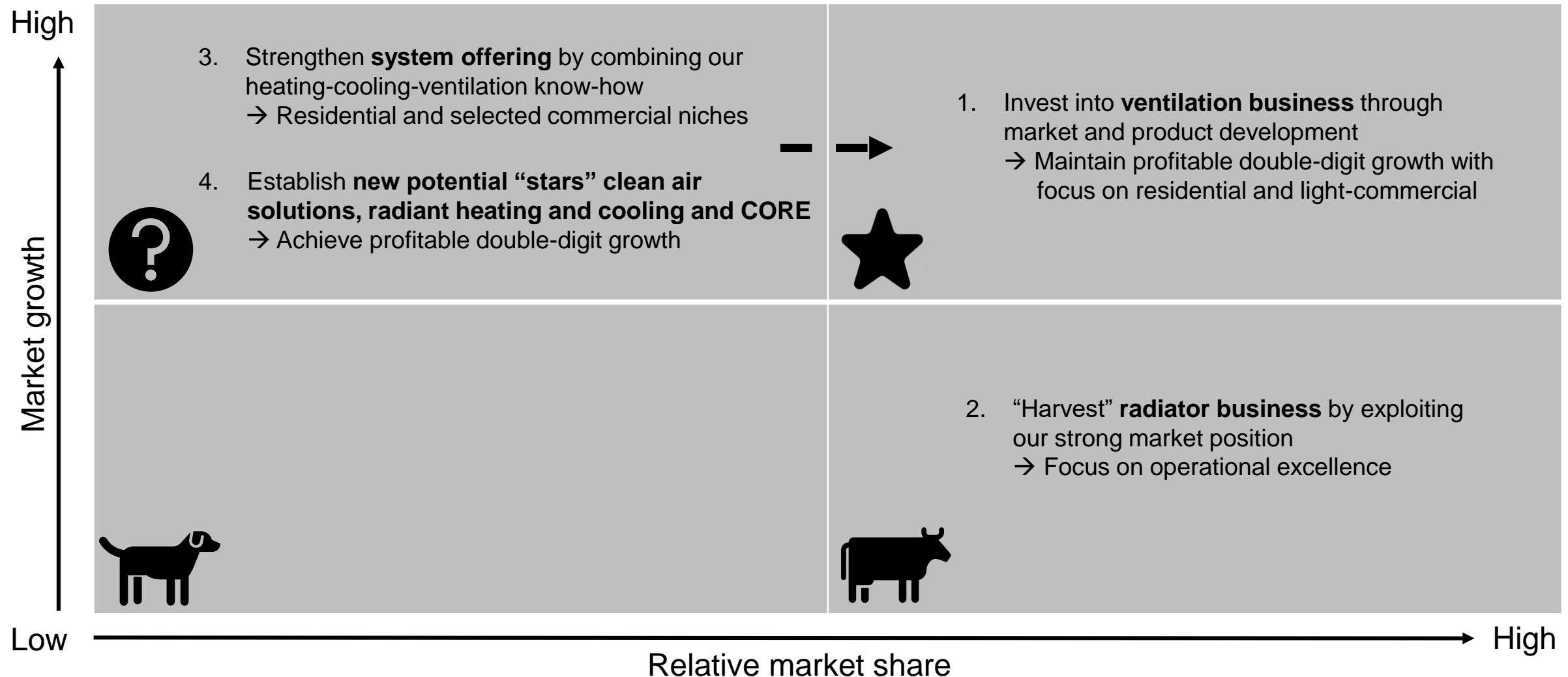
- Sales CAGR of 5%
- EBIT margin of >8%
- Double-digit ROCE

# Group strategy:

## Grow the ventilation business, “harvest” the leading position in radiators



Company profile



# Best climate in the world



Company profile



## North America

Canada  
USA

The Zehnder Group is represented in 20 countries and our products are available in over 70 countries.

## Europe

- |                |             |                |
|----------------|-------------|----------------|
| Austria        | Germany     | Spain          |
| Belgium        | Italy       | Sweden         |
| Czech Republic | Netherlands | Switzerland    |
| Estonia        | Norway      | Turkey         |
| Finland        | Poland      | United Kingdom |
| France         | Russia      |                |

## Asia

China

# Five product lines for a perfect indoor climate

## Ventilation business area



Company profile



**Comfortable indoor ventilation**



**Heat exchangers**



**Clean air solutions**

# Five product lines for a perfect indoor climate

## Radiators business area



Company profile



**Decorative radiators**



**Heating and cooling ceiling systems**



# From innovative R&D to excellent after-sales service



Company profile



## Innovation

- Exploration of trends
- Products based on new materials and technologies



## Production

- 16 production sites throughout the world
- Numerous lean-production initiatives



## Distribution

- Optimisation of transport methods
- Fast delivery times



## Support

- Professional customer support
- Customer-specific training sessions



## Trade

- Own distributor network in core markets
- Diverse sales channels:
  - Installers
  - Wholesalers
  - DIY stores



## Service

- Consultation from planning to maintenance
- Excellent customer service

# A dedicated Group Executive Committee



Company profile



**Matthias Huenerwadel**  
Chairman of the Group Executive Committee,  
CEO



**René Grieder**  
Chief Financial Officer



**Johannes Bollmann**  
Competence Center Comfosystems

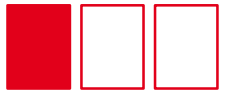


**Jörg Metzger**  
Competence Center Radiators



**Cyril Peysson**  
Sales Europe / Middle East /  
Africa (EMEA)

# Five fundamental key trends which guide our ambitions



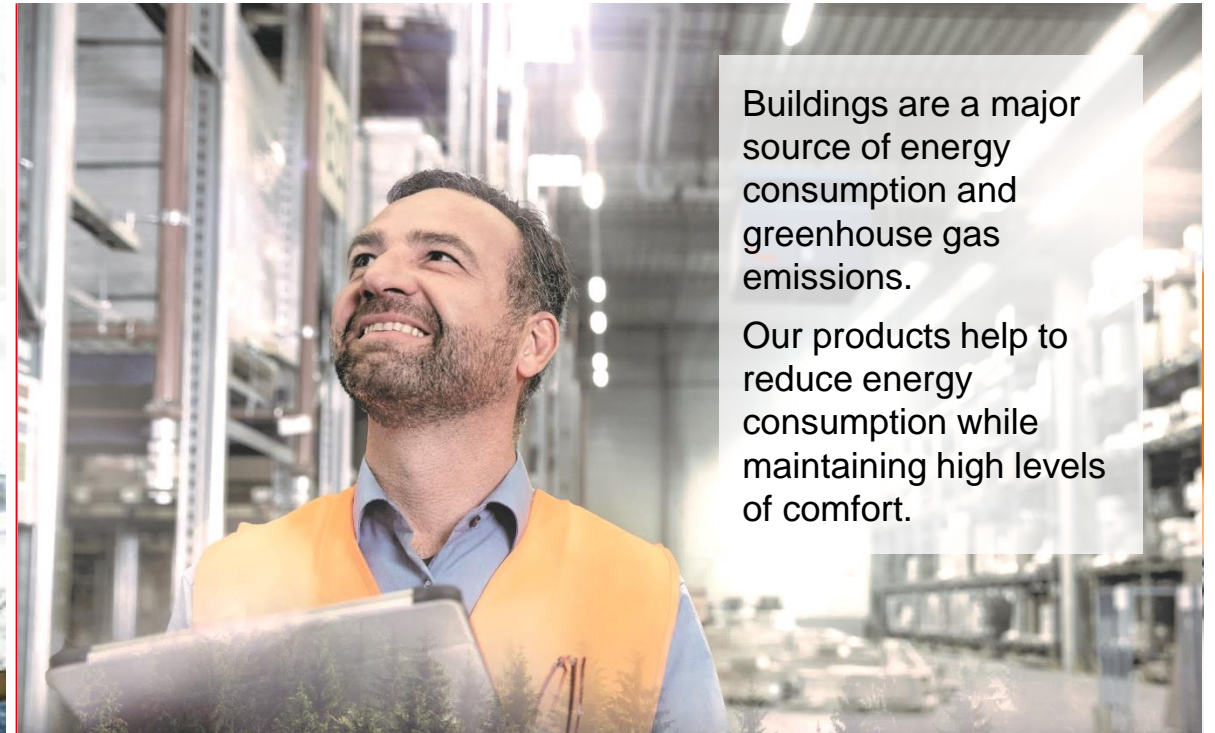
Company profile



Air pollution, allergies and the fact that we spend 90% of our lives in enclosed rooms make a healthy indoor climate essential.

Our products are based on the preservation and improvement of good health.


**Health**



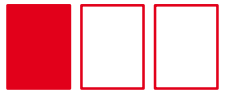
Buildings are a major source of energy consumption and greenhouse gas emissions.

Our products help to reduce energy consumption while maintaining high levels of comfort.

**Sustainability**



# Five fundamental key trends which guide our ambitions



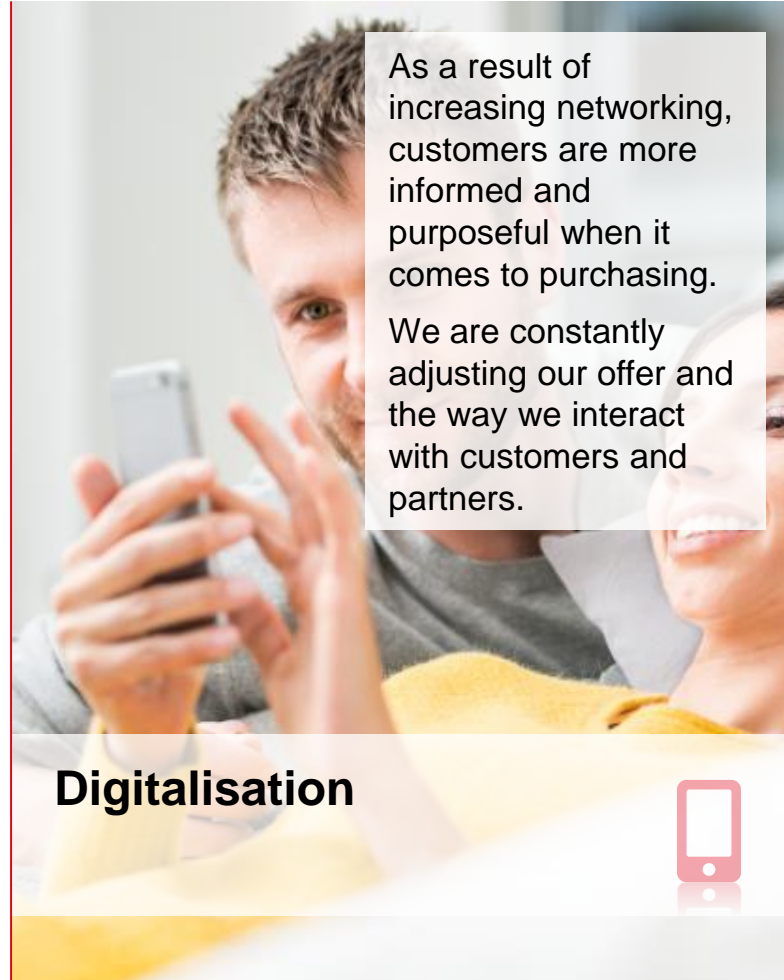
Company profile



Global warming means that room cooling is becoming increasingly important in northern regions.

Our systems feature both outstanding heat and humidity recovery in winter and excellent cooling recovery in summer.

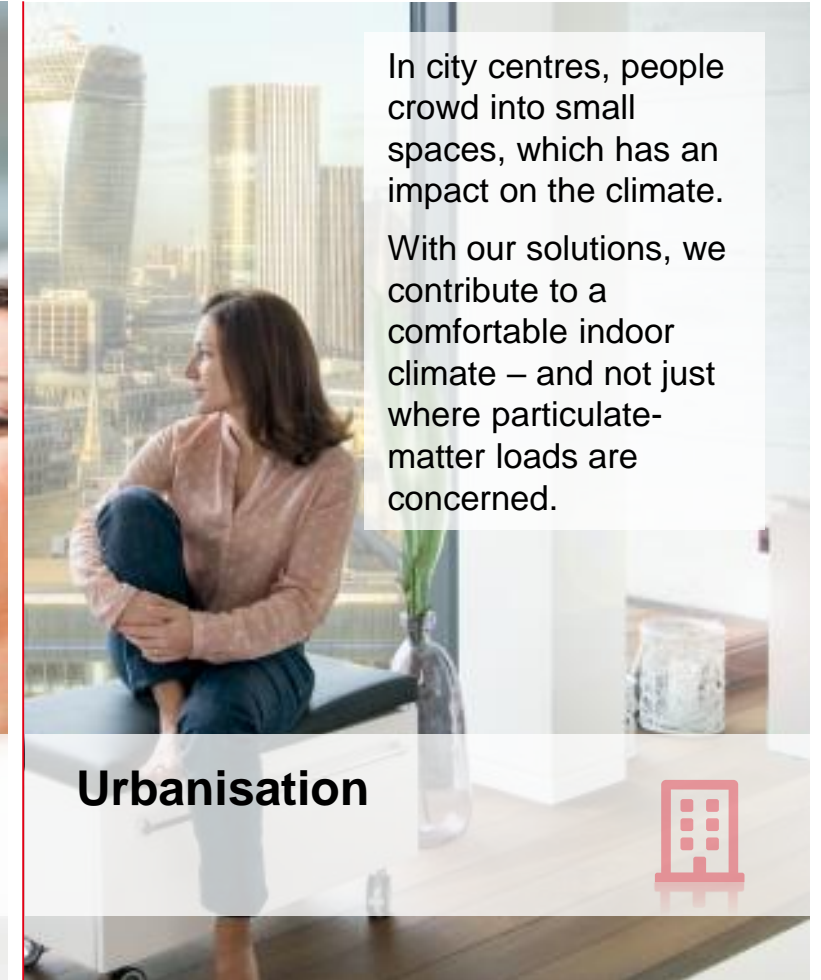

**Climate change**



As a result of increasing networking, customers are more informed and purposeful when it comes to purchasing.

We are constantly adjusting our offer and the way we interact with customers and partners.


**Digitalisation**



In city centres, people crowd into small spaces, which has an impact on the climate.

With our solutions, we contribute to a comfortable indoor climate – and not just where particulate-matter loads are concerned.

**Urbanisation**



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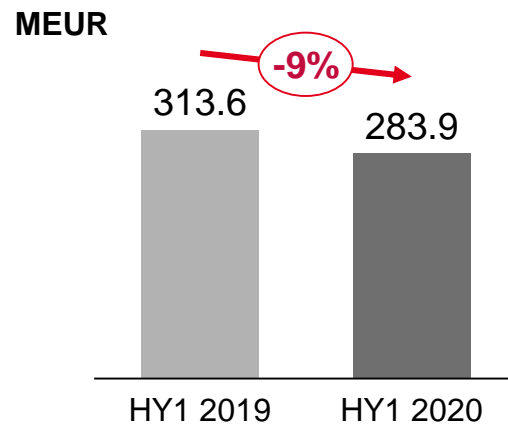
# Decline in sales – slight increase in EBIT thanks to effective measures



Financials HY1 2020

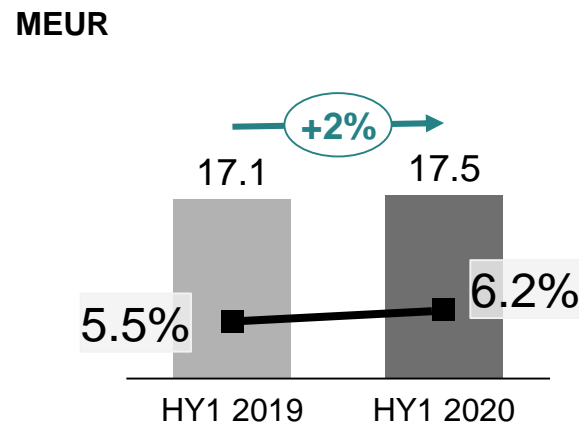
## Sales -9% below previous year

- Organic decline of -10%
- All markets affected by COVID-19
- Europe and North America -8%, China -30%
- Ventilation on prior year's level, radiators -20%



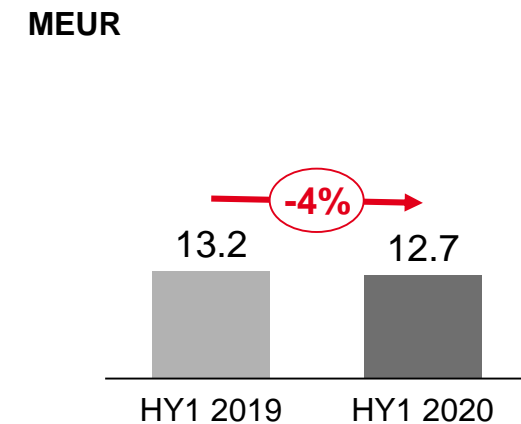
## EBIT margin increased by +0.7 pp

- Programme aimed at enhancing profitability continued with significant progress in purchasing and efficiency
- Immediate countermeasures launched to minimise the negative impact from COVID-19
- R&D only slightly below last year's level



## Net profit -4% below HY1 2019

- Decrease in net income despite increase in EBIT
- Negative financial result of -1.8 MEUR mainly due to realised and unrealised foreign exchange losses



# High operating cash flow – solid balance sheet

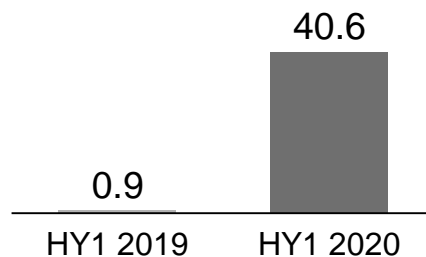


Financials HY1 2020

## Operating cash flow of 40.6 MEUR

- High operating cash flow
- Reduction of trade accounts receivable of around 11 MEUR in China due to payments from major customers

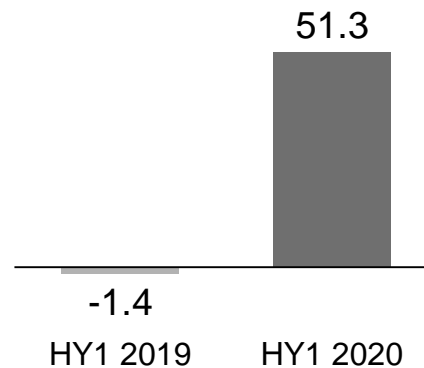
MEUR



## Net liquidity of 51.3 MEUR

- Net liquidity significantly increased
- Additional confirmed but unused credit facilities of 76 MEUR

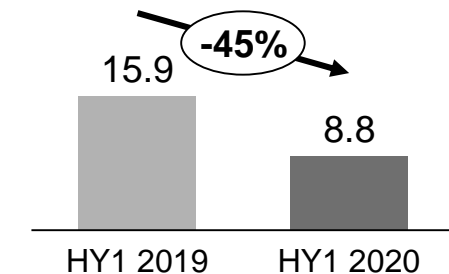
MEUR



## Net investments of 8.8 MEUR

- Some projects postponed or withdrawn to ensure liquidity
- New painting lines in Manisa (TR) and Vaux-Andigny (FR)<sup>1)</sup>
- New ventilation plant in Pinghu (CN)

MEUR



1) Replacement of painting line in Vaux-Andigny to be completed in 2022

# COVID-19 rattled our country ranking – ventilation business now accounts for 56% of total sales

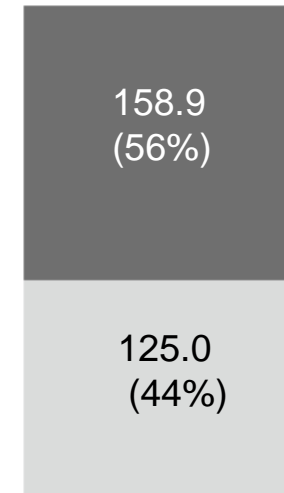


Financials HY1 2020

Country ranking HY1 2020<sup>1)</sup>

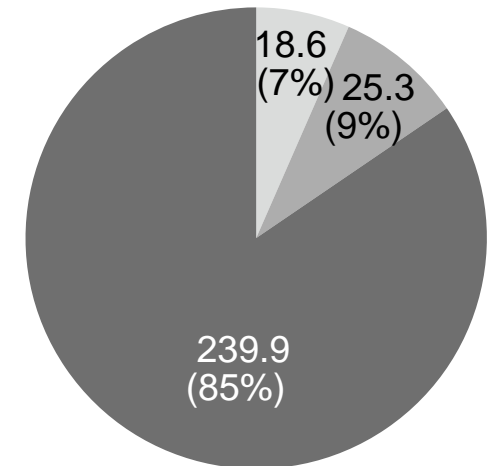
	Ventilation	Radiators	Total
1. Germany	→	↓	↓
2. France	↓	↓	↓
3. Netherlands ▲ +4	↑	↓	↑
4. Switzerland	↓	↓	↓
5. United Kingdom ▼ -2	↓	↓	↓
6. United States ▲ +1	↑	↓	↓
7. China ▼ -2	↓	↓	↓
8. Italy	↓	↓	↓
9. Belgium	↑	↓	→
10. Poland	↑	↑	↑

Sales by business area  
in MEUR



■ Ventilation  
■ Radiators

Sales by region  
in MEUR



■ China  
■ North America  
■ Europe

1) Sales development in local currency  
The top 10 markets account for 86% of the total turnover.

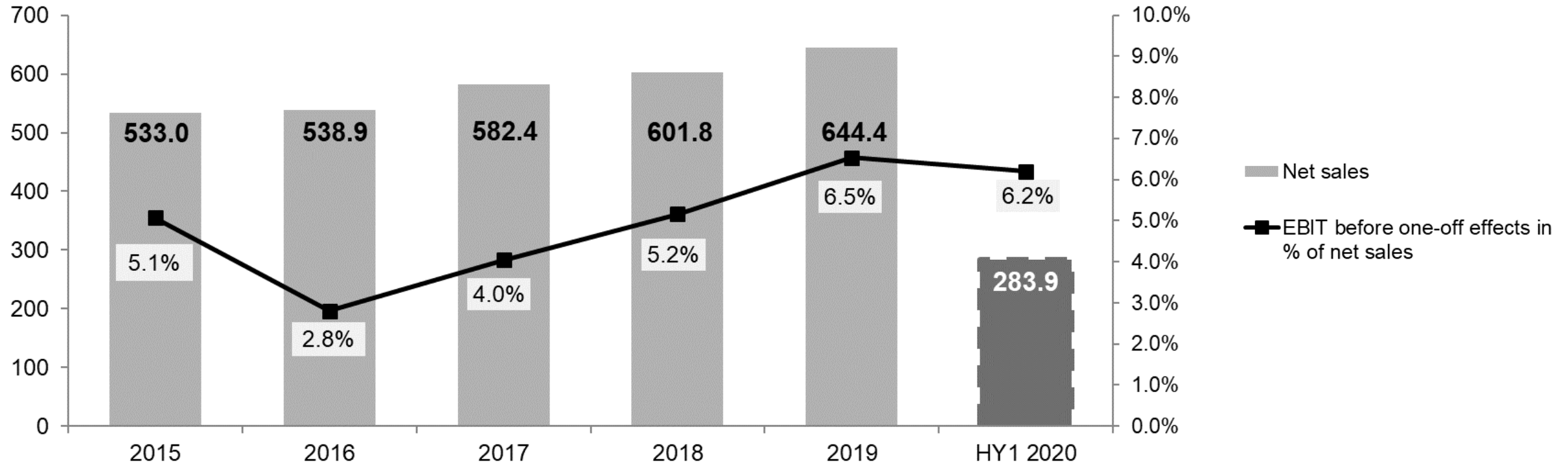


# Coronavirus crisis caused setback in efforts to achieve medium-term goals, i.e. of 5% average sales growth and EBIT margin of 8%



Financials HY1 2020

MEUR



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# Zehnder turned 125 years old



Business review HY1 2020

125 years of Zehnder -  
a story of great innovations  
and continual change.

## How has Zehnder continued to be so successful?

Because the company  
recognises and seizes  
opportunities. The Zehnder  
Group thinks and plans on a  
long-term, sustainable basis. It  
remains innovative and will  
continue to strive to achieve  
the very best indoor climate for  
its customers in the future.



**MAKING HISTORY.  
SHAPING THE FUTURE.**

*since 1895*



# Instead of celebrating, we focused on keeping our operation running and our supply chain intact



Business review HY1 2020

## Highlights

- Good start into the new year in terms of sales and profitability-enhancing programme
- Immediate measures kept operation running and supply chain largely intact
- Establishment of new digital methods of contacting customers and dealing with service needs
- Positive sales trend for ventilation, especially in the Netherlands and Poland; good development in the US; successful product ComfoAir Q
- Effective countermeasures to COVID-19 related sales decline
- New ventilation plant in China completed and in operation since June
- Launch of Zehnder ComfoFlow and ComfoAir 225

## Lowlights

- All markets affected by the coronavirus pandemic
- Business activities in France, the UK and Italy significantly impaired by lockdown measures
- Particularly weak performance in China in Q1 2020 due to strict lockdown measures
- Radiator plant in Ward Hill, Massachusetts (USA) forced to suspend production for 5 weeks

# Success story ComfoAir Q: 100,000 units sold



Business review HY1 2020

Zehnder ComfoAir Q product range.  
**More comfort, less cost**

**20%**

less  
power  
consumption\*

**90%**

less noise\*

**33%**

less time  
required  
during  
commissioning

**38%**

lower heating  
costs\*

\*compared to conventional ventilation units



Note: Product launch mid-2016

# Construction of new ventilation factory in Pinghu (China) completed Operation started in June



Business review HY1 2020

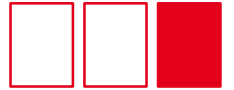


- Nather 兰舍, a Zehnder subsidiary since 2010
- Around 140 employees
- Located in Shanghai and Pinghu (100km southwest of Shanghai)

Company motto: «Healthy Air, Healthy Life»

- New factory integrating R&D, production, sales and service
- Cutting-edge technology in ventilation and air purification
- Expected annual output of 250,000 units in the first phase

# Zehnder ComfoFlow: the real alternative to a straightforward extract air system



Business review HY1 2020

Design-Haarkörper ■ Komfortable Raumführung ■ Heiz- und Kühldecken-Systeme ■ Clean Air-Systeme

**zehnder**  
always the best climate

**ZEHNDER GRUNDWOHNUNGSLÜFTUNG**

Zehnder ComfoFlow – die echte Alternative zu Abluftsystemen

SYSTEMKOMPONENTEN

## Die Systemkomponenten für die Zehnder Grundwohnungslüftung

- 1** Komfortlüftungsgerät  
**Zehnder ComfoAir Q**

Die Zuluft für alle Wohnungen kommt von einem Komfortlüftungsgerät (Zehnder ComfoAir Q), das z.B. im Keller platziert wird.
- 2** Verteiler  
**Zehnder ComfoFlow Div**

Der Verteilerkasten Zehnder ComfoFlow Div wird benötigt, wenn die Zuluft aus dem Lüftungsgerät durch separate Luftleitungen in die Wohnungen geführt wird. Diese Variante ermöglicht eine einfachere und schnellere Einregulierung an zentraler Lage und kann dadurch auch einfacher gewartet werden.
- 3** Volumenstrombegrenzer  
**Zehnder ComfoFlow Control**

Der Volumenstrombegrenzer Zehnder ComfoFlow Control regelt den benötigten Volumenstrom zur Wohnung (entweder 60 oder 90 m³/h).
- 4** Rohr-Schalldämpfer  
**Zehnder ComfoFlow Silence**

Der Rohr-Schalldämpfer Zehnder ComfoFlow Silence wird direkt nach dem Volumenstrombegrenzer eingebaut. Er eliminiert Strömungsgeräusche und Telefonie in der Anlage.
- 5** Verteiler  
**Zehnder ComfoFlow Splitt**

Ein zentrales Element der Zehnder Grundwohnungslüftung ist der neuartige Appartement-Verteiler Zehnder ComfoFlow Splitt. Er leitet die Zuluft einem oder zwei Zuluftauslässen zu, dabei dient er zusätzlich als Schalldämpfer.
- 7** Zu- und Abluftgitter  
**Zehnder ComfoFlow Centro**

Für die Zu- und Abluftdurchlässe gibt es verschiedene, optimal abgestimmte Gitter-Sets. Dabei seien folgende Neuheiten erwähnt: Für die Zuluft wurde das raffinierte Gitter Zehnder ComfoFlow Centro entwickelt. Dank der Prallplatte wird die ausströmende Luft an der Decke entlang geführt (Coanda Effekt).

**Zu- und Abluft-Tellerventile  
Zehnder ComfoValve Luna**

Im Set mit dem Zuluft-Tellerventil Zehnder ComfoValve Luna S befindet sich passend das neue Zehnder ComfoValve Luna E Abluft-Tellerventil. Für die Abluft wird ein zweiter Appartement-Verteiler Zehnder ComfoFlow Splitt eingesetzt, durch den die Abluft aus zwei Räumen weggeführt wird. Die Innenisolierung des Verteilers dient hier zusätzlich als Telefoneschalldämpfer.

Komfortabel für Komponenten aus Einsatzzwecke installieren, wart dem finanziell ge

## Zehnder ComfoFlow

- Basic heat recovery residential ventilation system for multifamily houses
- Closes the gap between comfort ventilation and extract air solutions
- gives building developers an alternative to a straightforward extract air system at an attractive price, and with superior technology and comfort

# Outlook 2020: further increase in operational profitability



Outlook FY 2020

- Steady sales recovery in the second half of 2020
- Demand in the key markets has remained high despite re-imposed restrictions in connection with the second wave of the coronavirus
- No further significant interruptions in the manufacturing
- Further increase in the operating profitability
- **For the year as a whole: Sales in the region of 613-618 MEUR and an EBIT of 49-51 MEUR expected (2019: 644.4 MEUR respectively 42.1 MEUR)**
- **Medium-term goal of an EBIT margin of 8% within reach (2019: 6.5%)**
- Further course of business subject to risks due to the uncertainties associated with the ongoing COVID-19 pandemic
- Sales figures for 2020 to be published on 15 January 2021; full end-of-year financial statement available on 24 February 2021

Note: See [Media release 7/2020](#) published on 18 December 2020.



# The Zehnder Group – an attractive investment case

## Five reasons to invest

- Strong position in key markets
- Growth for residential ventilation
- “Harvest” leading position in radiators
- New potential “stars”
- Solid financial foundations

## Mid-term targets

- Sales CAGR of 5%
- EBIT margin of >8%
- Double-digit ROCE

# Questions & answers



Thank you for your time and attention

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